

**International Placement Services, Inc.**

101 S. Hanley Rd., Ste 700

St. Louis, MO 63105

**APPLICATION FOR  
THIRD PARTY ADMINISTRATORS PROFESSIONAL LIABILITY INSURANCE**

**NOTICE:** This is an application for **CLAIMS MADE INSURANCE**. Such insurance, if accepted by the Company, applies only to claims first made against the Insured during the Policy Period and may additionally limit coverage applicable to negligent acts, committed prior to the inception of the Policy Period.

Instructions to the Applicant.

- A. Please answer all the questions. The information is required to make an underwriting and pricing evaluation. Your answer hereunder is considered legally material to the evaluation.
- B. If a question is not applicable, state N/A. If more space is required to answer a question, please attached exhibit with question number.
- C. Application must be signed and dated by authorized person.

**D. PLEASE ATTACH THE FOLLOWING:**

Brochures, advertisements or other descriptive literature about the applicant firms, its operations and services.

Copy of standard contract and engagement/proposal letter used with clients.

Sample reports given to clients or summary of same.

Biographical sketches of principals, officers and professional staff.

Copy of an Organization Chart.

Copy of the Internal Control and/or Quality Control procedures.

Copy of the most current audited financial statement.



Benefit Administration	_____ %
Litigation Management	_____ %
Actuarial Services	_____ %
Utilization Review	_____ %
Case Management	_____ %
Medical Bill Review	_____ %
Cost Containment	_____ %
Consulting	_____ %
Insurance Related Services	_____ %
- Acting as Insurance Agent/Broker	_____ %
- Placement of Stop Loss Coverage	_____ %
- Premium Collection	_____ %
Credentialing Services	_____ %
Managing General Agent	_____ %
Other (Please Explain)	_____ %

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- (b) Do these operations or services for others involve:
1. Any design work or software design for clients? Y\_\_\_\_\_ N\_\_\_\_\_
  2. Consulting services for a fee? Y\_\_\_\_\_ N\_\_\_\_\_
  - Consulting services for no specific fee? Y\_\_\_\_\_ N\_\_\_\_\_
  - If for a fee, state total consulting fees for last 12 months: \$\_\_\_\_\_
  3. Helping clients comply with regulations? Y\_\_\_\_\_ N\_\_\_\_\_
  4. Management of specific services for clients? Y\_\_\_\_\_ N\_\_\_\_\_
  5. Issuance of publications, manuals, newsletters, promotional material or any printed matter or software for clients? Y\_\_\_\_\_ N\_\_\_\_\_
  6. Maintenance of books, records, account data banks or data bases of any type or medium for clients? Y\_\_\_\_\_ N\_\_\_\_\_

10. Please provide the percentage of revenues derived from each of the following types of administration:

A. Health and Welfare	_____ %
B. Pension/401K	_____ %
C. Workers Compensation	_____ %
D. Property and Casualty	_____ %
E. Disability	_____ %
F. Marine	_____ %
G. Environmental Liability	_____ %
H. Professional Liability	_____ %
I. COBRA	_____ %
J. Other (Please Explain)	_____ %

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**MUST EQUAL 100%**

11. Please provide the percentage of plans that you serve:

A. Taft Hartley Plans (Multi Employers Plans)	_____ %
B. Single Employer Plans	_____ %
C. Multiple Employer Welfare Arrangements (MEWA's)	_____ %
D. Public/Government Plans	_____ %
E. Other (Please Explain)	_____ %

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**MUST EQUAL 100%**

12. (a) Describe the firm's client selection process.

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- (b) Does the firm perform credit checks on all clients? Y\_\_\_\_\_ N\_\_\_\_\_

- (c) Is management's approval required for all new clients? Y\_\_\_\_\_ N\_\_\_\_\_
- (d) Does the firm maintain a system to avoid conflicts of interests? Y\_\_\_\_\_ N\_\_\_\_\_

(e) List the firm's largest clients or jobs for the current year and the revenues received from those clients for this year, as well as the two previous years:

Name of Client, Job or Service Description	Annual Revenues		
	Current Year	Last Year	Previous Year

13. Please provide percentage of plans which are:

- A. Fully Insured \_\_\_\_\_ %
- B. Self Insured \_\_\_\_\_ %
- C. Partially Insured \_\_\_\_\_ %

14. Please provide the following:

- A. Number of Plans Administered by Firm \_\_\_\_\_
- B. Number of participants for plans administered by firm \_\_\_\_\_
- C. Total annual contributions to plan administered by firm \_\_\_\_\_
- D. Total annual benefit payments \_\_\_\_\_
- E. List carriers that stop loss coverages are placed with \_\_\_\_\_

15. Please describe the types of negligent acts, incidents, circumstances or exposures which the firm believes could result in a professional liability or errors and omissions claims or expose the firm to a significant consequential loss:

\_\_\_\_\_

\_\_\_\_\_

16. (a) Describe any procedures, precautions or safeguards the firm uses to avoid such claims:

\_\_\_\_\_

\_\_\_\_\_

(b) How do you comply with individual plan administrator guidelines?

\_\_\_\_\_

\_\_\_\_\_

(c) Please describe your denial of claims process:

\_\_\_\_\_

\_\_\_\_\_

(d) Please describe the appeal process for denial of claims:

\_\_\_\_\_

\_\_\_\_\_

(e) Describe firm's procedures for resolving disputes with clients over fees or charges, should they arise:

\_\_\_\_\_

\_\_\_\_\_

17. Does your firm ever provide any investment advice? \_\_\_\_\_ If yes, please explain: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

18. (a) Does applicant have written contracts or agreements with each client? Y \_\_\_\_\_ N \_\_\_\_\_

(b) If not, what percent of time are contracts not used? \_\_\_\_\_ %

(c) Explain why contracts are not used in such instances.

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19. Does the applicant's contracts contain:

(a) Hold harmless or indemnity agreements inuring to the applicant? Y \_\_\_\_\_ N \_\_\_\_\_

(b) Hold harmless or indemnity agreements inuring to the client? Y \_\_\_\_\_ N \_\_\_\_\_

(c) Guarantees or warranties? Y \_\_\_\_\_ N \_\_\_\_\_

(d) A specific description of the services applicant will provide to client? Y \_\_\_\_\_ N \_\_\_\_\_

(e) Clauses defining the responsibilities of each party? Y \_\_\_\_\_ N \_\_\_\_\_

(f) Clauses limiting the liability of the applicant? Y \_\_\_\_\_ N \_\_\_\_\_

(g) A "force majeure" limitation clause? Y \_\_\_\_\_ N \_\_\_\_\_

20. Name of law firm (if any) which renders advise to Applicant on contracts and other business matters:

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21. Does the firm subcontract services to others? Y \_\_\_\_\_ N \_\_\_\_\_  
If yes please indicate percentage and types of services:

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22. Please state:

(a) Number of principals, officers and partners of the firm \_\_\_\_\_

(b) Number of other professional employees \_\_\_\_\_

(c) Usual minimum educational and professional training or degrees required for professional staff \_\_\_\_\_

23. Has the firm or any of its principals, partners, officers or directors been the subject of any disciplinary action by any governmental body or professional association within the last five (5) years?

Y \_\_\_\_\_ N \_\_\_\_\_

If so, please give details and advise present status of any individuals involved.

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24. Have any lawsuits or claims been made against the applicant firm, its predecessors, subsidiaries partners, officers, or employees during the past five (5) years?

Y \_\_\_\_\_ N \_\_\_\_\_

If so, attach exhibit giving:

(a) Date and Description of Claim

(b) Present Status

(c) Amount of Defense Expense and Liability Paid, if closed

(d) Amount Reserved for Defense Expenses and Liability, if file not closed

(e) Explain what actions have been taken to minimize the chance of a similar claim

25. After inquiry, is Applicant Firm or its partners, officers, employees or subsidiaries aware of any actual or alleged errors, omissions, offenses or circumstances which may reasonably be expected to result in a claim being made against the Applicant or any proposed Insured person or entity?

Y\_\_\_\_ N\_\_\_\_

26. List any similar insurance carried during the past five (5) years. If none, check here: \_\_\_\_\_ NONE

<u>Policy Period</u>	<u>Insurer</u>	<u>Claims Made Coverage "Yes or No"</u>	<u>Limit</u>	<u>Deductible</u>	<u>Premium</u>	<u>Retroactive Date</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

27. Has any application for similar insurance, made on behalf of the Applicant or any of its predecessors in business, been declined or has any such insurance ever been rescinded, canceled or been refused renewal?

Yes\_\_\_\_ No\_\_\_\_

28. Limit of Liability desired: (Same limit would apply to "each claim" and as annual aggregate for all claims)

\_\_\_\_ \$1,000,000    \_\_\_\_ \$2,000,000    \_\_\_\_ \$5,000,000    \_\_\_\_ \$10,000,000

Other \$ \_\_\_\_\_

Deductible Desired: \$ \_\_\_\_\_ each claim

**THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE COMPANY, NOR DOES IT OBLIGATE THE COMPANY TO ISSUE A POLICY OR INSURE ANY SERVICES. HOWEVER, IT IS AGREED THAT SHOULD A POLICY BE ISSUED, THIS APPLICATION WILL BE ATTACHED TO AND MADE A PART OF THE POLICY.**

**NOTICE:**

**THE LIMIT OF LIABILITY IN THE POLICY, IF ISSUED, MAY BE REDUCED OR COMPLETELY EXHAUSTED BY CLAIM COST AND/OR LEGAL DEFENSE. IN SUCH EVENT, THE COMPANY SHALL NOT BE LIABLE FOR ANY JUDGMENT, SETTLEMENT OR CLAIM COST OR LEGAL DEFENSE COST WHICH ARE IN EXCESS OF THE LIMITS OF LIABILITY STATED ON THE DECLARATIONS PAGE OF POLICY.**

**THE DEDUCTIBLE IN THE POLICY, IF ISSUED, APPLIES TO CLAIM COSTS AND LEGAL DEFENSE AS WELL AS TO JUDGMENTS AND SETTLEMENTS.**

**THE UNDERSIGNED(S) CERTIFIES THAT HE/SHE IS THE DULY AUTHORIZED REPRESENTATIVE(S) OF EACH PROPOSED INSURED WHICH SUBMITS THIS APPLICATION TO THE STEADFAST INSURANCE COMPANY FOR A POLICY OF INSURANCE. THE STATEMENTS AND INFORMATION ABOVE AND ALL SCHEDULES AND DOCUMENTS SUBMITTED, OF WHICH THE UNDERWRITER RECEIVES NOTICE, ARE DEEMED PARTS OF THE APPLICATION (ALL OF WHICH SCHEDULES AND DOCUMENTS SHALL BE DEEMED ATTACHED TO THE POLICY AS IF PHYSICALLY ATTACHED THERETO), AND THE WORD "APPLICATION" REFERS TO ALL OF THE FOREGOING.**

**EACH PROPOSED INSURED REPRESENTS THAT THE STATEMENTS SET FORTH IN THE APPLICATION ARE TRUE AND CORRECT, AND THAT REASONABLE EFFORTS HAVE BEEN MADE TO OBTAIN INFORMATION SUFFICIENT FOR ACCURATE COMPLETION OF THIS APPLICATION. IT IS FURTHER AGREED BY EACH PROPOSED INSURED THAT EACH POLICY OR RENEWAL THEREOF, IF ISSUED, IS ISSUED IN RELIANCE UPON THE TRUTH OF THE REPRESENTATIONS AND INFORMATION IN THE APPLICATION.**

**EACH PROPOSED INSURED UNDERSTANDS AND AGREES THAT ANY INSURANCE POLICY ISSUED BY THE COMPANY SHALL BE SUBJECT TO RESCISSION IF THIS APPLICATION CONTAINS ONE OR MORE MISREPRESENTATIONS OR OMISSIONS MATERIAL TO THE ACCEPTANCE OF THE RISK BY THE COMPANY.**

**IF THE INFORMATION SUPPLIED ON THIS APPLICATION OR ATTACHMENTS THERETO CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE INCEPTION DATE OF THE POLICY, THE APPLICANT WILL IMMEDIATELY NOTIFY THE COMPANY OF SUCH CHANGES.**

\_\_\_\_\_  
**SIGNED BY AUTHORIZED OFFICER, PARTNER OR PRINCIPAL**

\_\_\_\_\_  
**PRINT OR TYPE NAME AND TITLE**

\_\_\_\_\_  
**TELEPHONE NUMBER**

\_\_\_\_\_  
**DATE**